

LIRC FAQ's

LIRC Qualification questions:

Q: What is the significance of the January 2 "Assessment Date?"

A: The property's classification status on the assessment date is one primary LIRC qualifier. The local assessor's office must show a property as multifamily rental to be eligible to qualify for LIRC (see Leasehold coop question for more information).

Q: If the number of qualifying units in my property is under 20% of the total units in the property, can my property qualify for LIRC?

A: No. The minimum threshold for LIRC qualification is 20%.

Q: Does any Section 8 unit qualify for LIRC?

A: No. Only Project-based Section 8 units qualify for LIRC. Tenant based Section 8 "voucher" units CANNOT qualify for LIRC.

Q: Does any USDA Rural Development (RD) 515 unit qualify for LIRC?

A: No. Section 515 units do not qualify on their own. Only RD Rental Assistance units or other layered subsidy, such as project based Section 8 or Housing Tax Credit units can qualify a property for LIRC.

Q: Do Section 236 units qualify for LIRC?

A: No. Section 236 units do not qualify on their own. There must be qualifying subsidy units, such as Project based Section 8 or Housing Tax Credit units to qualify.

Q: Can HOME units qualify for LIRC?

A: Most HOME units cannot qualify for LIRC because the program's rent standard exceeds the LIRC requirement. HOME rents are usually at 65% of Area Median Income rather than LIRC's 60%. If your recorded HOME documents show 30% of 60% rents, give MHFA a call.

Q: Can a leasehold coop qualify for LIRC?

A: No. A coop is technically not a rental in local property tax records. It receives homestead (owner-occupied) tax treatment. For a coop to qualify for LIRC, the coop must be legally disbanded, and property tax classification changed to "rental" in assessor records by no later than the January 2 assessment date for taxes payable the following calendar year.

Reapplying for LIRC:

Q: Who should reapply?

A: Any current participant property owner who applied and whose LIRC application was accepted and certified to the local assessor in the prior year for LIRC treatment.

Q: When do I reapply?

A: Reapplication deadline – March 31. MHFA will send Reapplication form to the property owner in the LIRC database in January or February

Q: How do I reapply?

A: MHFA will send current LIRC participants a Reapplication form printed with original application information. The owner certifies qualifying program compliance as of January 2 and sends it back to MHFA by the deadline with a check for the annual fee.

Q: What happens if I do not reapply?

A: Failure to reapply each year will result in a loss of the tax reduction for taxes payable the following year.

Applying for LIRC:

Q: Who can apply for LIRC?

A: Qualifying properties not already enrolled in LIRC.

Q: When should I apply?

A: Deadline to apply is March 31.

Q: How do apply?

A: Download LIRC application from MHFA website or call to request an application from MHFA

Miscellaneous:

Q: Whom do I talk to, to determine if my property's taxes have actually been reduced?

A: Call your local assessor, most often the county assessor.